

scientific implications, and to consider appropriate amendments to Bill C-43.

**Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators, the Honourable Senator Haidasz rose on what was purported to be a question of privilege. Perhaps there is, somewhere in that long and lucid address which he gave us, a point of privilege. If so, I did not detect it at the time. I was loath to interrupt him—

**Senator Haidasz:** I mentioned it at the outset—

**Senator Doody:** Senator Haidasz, I did not interrupt you for a minute and I would ask you to sit down, please.

Perhaps in the text of that long and interesting document there may be the germ of a question of privilege, honourable senators. After I receive a copy of today's *Debates* I will take a look at it and see if I can comment on it. At this point, of course, I am not in a position to do so. I do not think there is any immediate urgency about this matter, because the bill has gone through the proper procedure. It has received first and second reading and has been referred to the committee, which currently is studying it, calling witnesses, and so forth.

I should like at this point to take the adjournment of the debate, read the transcript of comments of Senator Haidasz and reserve the right to comment on them at a later time.

On motion of Senator Doody, debate adjourned.

#### BUSINESS OF THE SENATE

**Hon. Royce Frith (Deputy Leader of the Opposition):** Honourable senators, as we know, Rule 19 provides for the order of business as called by the Chair thus: Presentation of Petitions, Reading of Petitions, Reports of Committees, Notices of Inquiries, Notices of Motions, Question Period, Orders of the Day, Inquiries and Motions. Senator Doody and I have had a discussion about a possible change to that order for today, for which we will therefore need unanimous consent. It is proposed that we proceed to the fourth order on the order paper, the second reading of the Bill C-86, with a view to giving it second reading and referring it to committee today. The committee is poised to deal with it a 4 o'clock.

It is also proposed that, because of some commitments of the Leader of the Government, we then proceed to Question Period and, at the end of Question Period, revert back to Presentation of Petitions. Then, in due course, we will no doubt find our way to the Orders of the Day. Therefore, if there is unanimous consent, I propose that we follow that procedure.

**The Hon. the Speaker:** It is agreed, honourable senators?

**Hon. Senators:** Agreed.

#### INCOME TAX ACT

##### BILL TO AMEND—SECOND READING

**Hon. C. William Doody (Deputy Leader of the Government)** moved the second reading of Bill C-86, to amend the Income Tax Act (child tax credit).

[Senator Haidasz.]

He said: Honourable senators, this bill is a fairly simple but important one. I should first like to thank honourable senators for giving me leave to proceed with it at this time. It went through all stages in the House of Commons the day before yesterday and although it received first reading here yesterday I was reluctant to proceed with second reading because, quite frankly, I was not familiar with the contents of the bill. However, I appreciate the opportunity to do so now.

Bill C-86 will raise the income ceiling with respect to prepayment of the refundable child tax credit. The refundable child tax credit was established in 1978 at a maximum rate of \$200 per child, and the income ceiling was set at \$18,000. The credit was modified in 1982, being set at \$383, and the indexing feature was then modified to be 3 per cent lower than the increase in the consumer price index.

An important set of changes was made in 1986. As well as substantial improvements to the amount of the credit and changes to the threshold, the concept of prepayment of a portion of the benefits was introduced. At that time, the amount of prepayment was set at \$300 and the threshold for prepayments was set at \$15,000.

Finally, in 1988, a number of changes were made, which included a new supplement relating to child care expenses. As well, the law was amended to produce the present arrangement. Under this arrangement, there is prepayment of up to two-thirds of the estimated refundable child tax credit, if the family's income does not exceed two-thirds of the family income ceiling for the credit itself.

This situation, however, does not make adequate allowance for those families with three or more children whose incomes fall in the zone between the two-thirds limit and the income ceiling.

The budget proposal rectifies this situation. By raising the income ceiling for prepayment to 100 per cent of the family income ceiling for those families with three or more children, the government is recognizing the special needs of such families. This is particularly helpful at the normal time the prepayment is received, which is at the beginning of the winter season. It means that families with three or more children, whose income in 1990 falls between \$16,513 and \$24,769, will qualify for the prepayment of their child tax credit.

• (1440)

It is estimated that close to 70,000 families with an estimated 236,000 children will benefit from this change. After the change is made, some 730,000 families will qualify for the prepayment. After being announced in the February budget, this proposal was incorporated in the package of technical amendments released on July 13. We have now brought it forward in separate legislation so that consideration of the measure can proceed as quickly as possible. This is important, as it will allow the change to be implemented in time for those qualifying under its provisions to receive their prepayment in November.